



City of Arts & Innovation

News Release

FOR IMMEDIATE RELEASE:

May 31, 2012

Contact:

Cindie Perry, Intergovernmental & Communications Officer
951-826-5975 or 951-203-1066
cperry@riversideca.gov

Riverside prevails -- protects local community assets!

RIVERSIDE, Calif. – In a milestone effort, the City of Riverside succeeds to protect \$25.7 million in former redevelopment agency funding needed to complete the following four local community improvement construction projects!

- Municipal Auditorium Renovation
- Doty Trust Park
- City Corporation Yard Renovation
- Downtown Fire Station

In a letter dated April 13, 2012 the California State Department of Finance (DOF) previously objected to the continuing disbursement of funds for various obligations committed to by the City's former redevelopment agency. The City responded to that notice with additional documentation in support of those obligations. A May 26, 2012 letter from the Department of Finance withdrew eight of the prior objections, including the four projects listed above currently under construction, and approved the continued disbursement of those funds.

Upon hearing the news, Riverside Mayor Ronald O. Loveridge stated, "This is exceptional news!" adding, "this is an important decision for Riverside. We are optimistic that we can work toward resolution of remaining issues."

Attachment: May 26, 2012 Department of Finance Letter to City of Riverside

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May 26, 2012

Vanessa Kirks, Fiscal Manager
City of Riverside
Development Department
3900 Main Street, 5th Floor
Riverside, CA 92522

Dear Ms. Kirks:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Riverside Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on March 30, 2012 for the periods of January to June 2012 and July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

January to June 2012 ROPS:

In Finance's letter dated April 13, 2012, the following items were denied as enforceable obligations (EOs); however, after further review of documents, they have been accepted as EOs:

- Page 1, item 21 – University Village Parking loan (\$3.5 million)
- Page 1, item 37 – Cooperative Agreement (\$1.2 million)
- Page 4, item 13 – CB-Corp Yard Renov Construction (\$2.2 million)
- Page 6, items 13, 16, 17 – University Fire Station #1 Construction (\$4 million)
- Page 7, items 34 and 36 – Downtown Fire Station #1 Construction (\$3 million)
- Page 8, items 3, 7 and 8 – Downtown Muni Auditorium Construction (\$8 million)
- Page 9, item 16 – LS Doty Trust Park Construction (\$2.5 million)
- Page 9, item 37 – LS Galleria Improvements (\$1.6 million)

July to December 2012 ROPS:

HSC section 34171 (d) lists EO characteristics. Based on a sample of items reviewed and application of the law, the following do not qualify as EOs:

- Administrative expenses totaling \$353,036. HSC section 34171 (b) limits administrative expenses to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater for the July to June 2013 fiscal year. Three percent of the property tax allocated is \$529,554 for the fiscal year. Therefore, \$353,036 of the claimed \$882,590 in administrative costs is not an EO.

Except for items disallowed in whole or in part as enforceable obligations noted in Finance's letter dated April 13, 2012 and above, Finance is approving the remaining items listed in your ROPS. This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your

oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is and never was an unlimited funding source. Therefore as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available in the RPTTF.

Please direct inquiries to Evelyn Suess, Supervisor or Mindy Patterson, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: . Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Auditor-Controller
Ms. April Nash, Supervising Accountant, Riverside County Auditor-Controller
Ms. Jennifer Baechel, Business Process Analyst II, Riverside County Auditor-Controller